

**CALIFORNIA ENERGY COMMISSION**

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512



June 8, 2001

The Honorable Kevin Murray  
Member of the Senate  
State Capitol Building, Room 4082  
Sacramento, CA 95814-4900

Dear Senator Murray,

I am writing to respond to your letter of May 25 to Jim Bartridge regarding the Baldwin Hills power plant that the Energy Commission is currently reviewing under its emergency permitting process. The Commission is acting under its emergency permitting authority in section 25705 of the Public Resources Code, as directed by the Governor in his Executive Orders D-26 and D-28. The Governor also declared that these projects are emergency projects under Public Resources Code section 21080(b)(4), and are thereby exempt from the requirements of the California Environmental Quality Act (CEQA). We are processing applications for simple-cycle power plants that can be online by September 30, 2001, under these emergency procedures. While the Commission is moving with unprecedented speed to act on these emergency applications, I want to assure you that my staff is conducting a thorough review of all the emergency projects that addresses the full range of environmental and public health issues. Your comments and suggestions for areas of particular concern are welcome, and are being considered by my staff as they complete their assessment of the project.

Your letter included a request for specific information on projects previously approved under the Energy Commission's 21-day Emergency Siting Process. My staff have prepared the following responses to your questions:

- 1. How many proposed "peaker" electrical generating facilities have been approved? How many have been approved in ethnically diverse communities? How many have been approved adjacent to major park areas or within a state conservancy jurisdiction?**

Nine peaker projects have been approved as of June 6, 2001. Based on data for census tracts located in whole or part within three miles of the project sites, six of the nine projects are located in areas of California where greater than 50 percent of the population is considered to be a non-white population. No other projects have been located adjacent to major park areas or within state conservancy jurisdiction. The California Department of State Parks has raised no concerns regarding other emergency peaker projects besides Baldwin Hills.

**2. Of the proposed or approved “peaker” electrical generating facilities, how many are slated to operate 24 hours a day? How many have been approved under emergency regulations for a 30 year life span?**

The Baldwin Hills project is the third emergency project to request a permit to operate for 8,760 hours per year (i.e. 24 hours per day, 365 days per year). The other emergency projects have requested permits with annual operating hours ranging from 2,100 to 7,884 hours per year. The limit on hours of operation is set under the terms of the air permit based on an air quality analysis performed by the local air district, and these projects must provide offsets for emissions based on the permitted hours of operation. Projects will not necessarily operate to the limit allowed under the permit, and projects permitted for 8,760 will almost certainly operate fewer hours due to the need for routine maintenance. To the extent that a project permitted to operate 8,760 hours per year actually operates fewer hours, the required emission offsets will offset more than the project's actual emissions. All emergency projects to date have been approved for the “life of the project” if they have a contract to sell their power to either the California Department of Water Resources or the California Independent System Operator as long as they meet the following criteria at the end of that contract:

- The project is permanent, rather than temporary or mobile in nature;
- The project owner demonstrates site control;
- The project owner either has secured permanent emission reduction credits (ERCs) approved by the local air district and the California Air Resources Board (CARB), or has secured RECLAIM trading credits (RTCs) as required by the air district. The ERCs or RTCs must be adequate to fully offset project emissions for its projected run hours, and must have been in place prior to the expiration of the temporary ERCs obtained from CARB if temporary ERCs were used for the initial operation of the project. If the project owner is using RTCs to offset emissions, this certification shall expire if the project owner does not maintain appropriate offset credits consistent with air district regulations;
- The project is current in compliance with all Energy Commission permit conditions specified in the final decision;
- The project is in current compliance with all conditions contained in the Permit to Construct and Permit to Operate issued by the local air district for the project; and
- The project continues to meet BACT requirements under local air district and California Air Resources Board (CARB) requirements.

**3. Of the proposed and approved “peaker” electrical generating facilities, how many are located in urban areas? Please provide me with the population density of those areas. How many are located in areas that are not in compliance with federal and state clean air quality pollution control standards?**

Seven of the nine emergency projects approved to date are located in urban areas. The following table provides population density information for all the emergency projects that have been approved. This table is based on data for any census tract that is in whole or part within a one-mile and three-mile radius of the project site. All approved peaker projects are located in areas of non-attainment for at least one criteria pollutant.

<b><u>Project</u></b>	<b>Population Density (#/sq.mi.)</b>	
	<b><u>1 mile*</u></b>	<b><u>3 mile*</u></b>
Baldwin Hills	5,260.1	10,607.9
Alliance Colton Drews	2,449.0	3,047.8
Alliance Colton Century	1,794.0	1,730.0
Pegasus Power Chino	1,411.9	1,558.4
Calpeak Escondido	1,253.8	2,566.6
Wildflower – Larkspur (San Diego)	351.9	80.8
Calpine – Gilroy	167.9	583.7
Wildflower – Indigo (Palm Springs)	28.2	132.2
Calpine – King City	20.7	20.7
GWF Hanford	6.9	6.9

\* -- population density within census tracts located in whole or part within the indicated radius of the project site.

If you have any further questions regarding the proposed Baldwin Hills Peaker project or the emergency permitting process, please call Roger E. Johnson, Siting Office manager, at (916) 654-5100, or e-mail him at [rjohnson@energy.state.ca.us](mailto:rjohnson@energy.state.ca.us).

Sincerely,

---

STEVE LARSON  
Executive Director

cc: Mary Nichols  
Vincent Harris